

# THE PRODUCT PLACEMENT EFFICIENCY AS A RESULT OF A RELATIONSHIP BETWEEN A SPECTATOR AND A MOVIE

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## ABSTRACT

While adding to the academic knowledge about product placement, this exploratory research comforts the advertisers in their communication choice for the technique. It focuses on the efficiency as a result of a relationship between a spectator and a movie (before, during and after viewing the movie). Choosing a DVD movie because of the movie director improves the number of brand placement recalled as well as liking the kind of the movie. Such an improvement also occurs when the viewer appreciates the movie. Unfortunately, speaking with someone else while watching the movie does not decrease the number of brand placement recalled.

## INTRODUCTION

Some might say it's not a new phenomenon as we can find examples in the early years of the silver screen (Turner, 2004; Newell and Salmon, 2003). But no doubt that product placement in movies is increasing fast (PQ Media, 2005) and that entertainment marketing arouses new researches (Hackley et Tiwsakul, 2006). In 2007, the spectator watching *The Hoax* may observe actor Richard Gere driving a Mercedes convertible, while the one watching *In the Land of Women* may notice that the main characters are pleased to drink Coca-Cola. Since twenty years many researches focused on product placement in movies (Balasubramanian et al, 2006). A majority of viewers approve product placements (Schmoll et al., 2006). This paper tries to propose fresh insights about the existing relationship between the spectator and a movie, focusing on brand placements. A sample of 3,532 DVD French viewers has been used to link the way the movie has been chosen, viewed and appreciated (or not) with a spontaneous brand placements recall, the day after the film has been watched at home

## BRAND PLACEMENT IN MOVIES

“Placing a product” consists in putting a product and/or a brand into a movie scene where it can be seen and/or its name heard (Karrh, 1994). The placement can either be paid by the advertiser or being based on a barter deal concerning products and/or services such as logistics facilities (Karrh, 1998). Coined as “hybrid” by Balasubramanian (1994) since it combines several media techniques, product placement may have positive effect on attitude (Fontaine, 2005), and potential impact on brand recall (Brennan, Dubas and Babin, 1999; d’Astous and Chartier, 2000). Facing media dilution and fragmentation (Deloitte, 2005) of an audience skipping commercials (O’Neill and Barrett, 2004) it is comparatively cheap compared to classics ads, still well accepted (O’Reilly *et al.*, 2005), and could be more efficient (Jaffe, 2005). It explains why in 2007 for instance, Toshiba computers were placed in *The Kingdom*, Volvo cars in *Reign over me* and Corona beers in *Knocked Up*.

Researches usually focus on spectators’ acceptability, or on its efficiency. Nevertheless, most researches explains efficiency using the way the placement is made, meaning that the results are related to the influence of the placements modalities on efficiency. Three placements modalities are usually differentiated: prominence, audiovisual and plot insertion. Prominent placements when “the product is made highly visible by the virtue of the size and/or position

on the screen or its centrality to the action in the scene” (Gupta and Lord, 1998). Audiovisual modality refers to “the appearance of the brand on the screen” and/or to “the brand being mentioned in a dialogue” (Russell, 2002). Finally, plot insertion refers to the degree to which the brand is integrated to the story plot (Russell, 1998; Redondo, 2006).

Because it cannot be controlled, less contribution is about the spectator’s exposure conditions toward the movie. But his attitude influences the efficiency (Johnstone and Dodd, 2000; Fontaine, 2002), and the advertiser could have chosen the movie on the basis of the attitude it was supposed to generate. This primary analysis lead us to investigate one goal: exploring the influence of the spectator’s attitude on the fickleness of the second life brand placement efficiency, *via* the DVD media. This goal is reached by measuring efficiency according to the spectator’s attitude and behaviour before, during and after the exposition to the movie, using an experiment with movies viewed on DVD.

## HYPOTHESES

The number of spontaneous day after recall (SDAR) of brand placements seen on screen is used in this research as the measure of brand placement efficiency. Acting like that, we assume the consumers’ side of our work, explaining how many brands a consumer should remember, regarding to his exposure conditions to the movie. By opposition, the advertiser’s objective would be to make sure that the consumer recalls his own brand, explaining that a consumer remember a brand, regardless to the modalities of the brand placement.

Our two first hypotheses concentrate on the spectator’s attitude toward the movie before viewing it. They concern the choice of the movie. Some movie viewers do choose their movie (in theatres or on DVD) because of the movie director (Ainslie, Drèze and Zufryden, 2003). If we assume that those movie fans might be more vigilant to the direction, the set and/or the acting, their supposedly higher attention could lead to a better number of SDAR for brand placements. Based on a direct effect due to vigilance, we presume that:

***Hypothesis 1: Choosing a DVD movie because of the director improves the brand placement number of SDAR.***

Garza & Callison (2005) analysed that comedy genre does not outrank the other genres on brand recall; science fiction seemed to be more successful. Appreciation of the movie is shown to have an impact on attitude change after a brand placement exposition (Fontaine 2002). If liking the movie can only be known after viewing the film, liking the kind of the movie can be one of the reasons of the choice, and therefore is known before watching the film. It could also be a kind of help choosing it amongst the manifold films offered each week. Finally, we assume that:

***Hypothesis 2: Liking the kind of the movie improves the brand placement number.***

The third hypothesis concerns the behaviour of the viewers during viewing the movie. Our empirical study is based on DVD viewers, which can eventually be more disturbed while viewing the movie than theatre’s viewers. Attention during exposition is a well-known factor of recall (Karrh *et al.*, 2003) Nevertheless, we wanted to test hypotheses that could also be applied on the two ways of viewing a movie. In a theatre as well as at home, one major source of disturb while viewing a movie could be speaking with someone else. And then we supposed it could be logical to believe that the spectator could then be less watchful. That’s why we hypothesize that:

***Hypothesis 3: Speaking with someone else while viewing a movie decrease the brand placement number***

Our last hypothesis is about spectator’s attitude toward the movie after before viewing it. Fontaine (2002) showed that movie’s appreciation has a positive impact on attitude change

after a brand placement exposition. We think that this result is still accurate on recall and then we presume that for a viewer who likes his watching, details might be better perceived and then be better recalled. This hypothesis is also inspired by Johnstone and Dodd's works (2000) stressing on the fact that placements could increase brand salience, and even more specifically if the audience liked the movie. Consequently:

***Hypothesis 4:** The more the video viewers appreciate the movie, the more they spontaneously recall placed brands.*

Figure 1 resumes the all set of hypothesis.

### **Figure 1 – The research model**

## **DATA COLLECTION**

The final sample includes 3,532 video viewers questioned about one of the following 11 American movies (*Men in Black II*, *Minority Report*, *Analyze that*, *Banger Sisters*, *Fashion Victim*, *Austin Powers in Goldmenber*, *Johnny English*, *Intolerable Cruelty*, *Mr. Deed*, *Hardball* and *Paycheck*) used for this research. Those movies have been selected because they were new DVD releases (meaning heavy rentals) during the data collection process, because the movie was successful (meaning many available copies then facilitating the data collection) and essentially because the placements were easily and clearly recognizable (All the brand placements identified and used in the research were strictly isolated, meaning that it was undoubtedly possible to link a SDAR with a specific placement, because each brand placement occurs just once in every considered movie). Furthermore, American movies represent 55% of 2003 France DVD market share in volume, and 69% in value (C.N.C., 2005). The data collection process took place from January 2003 to February 2005 focusing on the selected “just released” DVDs. The questionnaire was systematically submitted to every renter of one of the DVDs subject to the research. Every respondent chose freely the movie he wanted to watch. Due to the small size of video clubs, due to their proximity and due to the appeal of the research subject, only 6 persons refused to answer the questionnaire. This extraordinary low rate finds its explication in the fact the questioning took place inside videoclubs where the proximity with the manager on the one hand and with the renters on the other hand allow a natural contact when the renters returned their DVDs. The questionnaire was relatively short, asking just a few minutes to the responder.

## **METHODOLOGY**

Since the four hypotheses are not independent, we decided to test all of them in the same model rather than testing them individually. Hypotheses are validated using an ANCOVA, which allows us to study the simultaneous impact of each independent variable on the dependent variable. The SDAR of each placement was aggregated to compute the number of SDAR from one respondent to one movie, *i.e.* the dependant variable. Independent variables are each mentioned in the four hypotheses here above. Respondents have been questioned on the reasons of their DVD choice, which has been recoded in “director; yes or no”. They were also questioned on a dichotomous scale about liking or not the kind of the movie and if they had or not a discussion with someone else during viewing the film. At least, the appreciation of the movie was evaluated on a 0 to 20 scale (0 for dislike and 20 for an absolute liking).

Because the number of placements varies from a movie to another (indeed from 4 to 22 in the considered movies), we first validated that the mean number of SDAR is not correlated with the total number of brand placements (Pearson correlation test; p-value >0,05), which means,

that a profusion of brand placements in one movie does not increase artificially the number of brands recalled.

## RESULTS AND DISCUSSION

Results contribute to strengthen the professionals' interest for the technique, and complete the academic knowledge already known on the topic. Nevertheless, they are not strong enough to explain the all variation of the number of SDAR recalled ( $r^2 = 0,102$ ), and independent variable are correlated (Khi-Square Test;  $p < 0,05$ ) except "Discussion" with "Choice\_Director" and with "Evaluation\_Rank".

**Table 1 – Model parameters of the ANCOVA**

Results about choosing a DVD because of the movie director validate hypothesis 1 ("Choice\_Director-Yes" parameter  $> 0$ ; p-value  $< 0,0001$ ). It means that the 366 respondents who have chosen the movie because of the Director have seen significantly more brands than the 3,166 respondents who have not chosen their DVD because of the movie's director. The 1,645 respondents who liked the kind of the movie have seen significantly more brands too than the 1,887 respondents who did not like it ("Like\_Kind-Yes" parameter  $> 0$ ; p-value  $< 0,05$ ). Validation of hypothesis 2 is consistent with the validation of hypothesis 1, because it also concerns the spectator's attitude before viewing the film. We may assume that if on the one hand a spectator who was in a good mood because the movie he watched has been shot by the director he was looking for, and because he liked the movies, was then more receptive to its details (including the brand placements). If the 299 respondents who spoke with someone else while watching the movie recalled a smaller mean number of placements, the difference is not significant ("Discussion-Yes" parameter  $= 0$ ; p-value  $> 0,05$ ). Then hypothesis 3 is not validated. The small number of viewers who declare to have spoken while watching the movie can be one reason of this result. At least, hypothesis 4 is validated: the appreciation of the movie improves the number of brand the viewer recalled ("Evaluation\_rank" parameter  $> 0$ ; p-value  $< 0,0001$ ). This validation can also be a support for the DVD second life of the placement. Buyers or renters can be people who have seen the movie before (in theatre or even on TV for old movies). If they buy it or rent it again, we may assume that they like it. In this case 17 % of the renters did have seen the movie at least once before. Hypothesis 4 is still validated if tested only on these 17% of renters, as well as it is if tested on the 83% of the renters that did not have seen the movie before (Kendall Correlation Tests for the two non normally distributed variables; p-value  $< 0,0001$ ). Then, we can assume that this fourth hypothesis is validated independently of the repetition due to a first viewing of the movie, even if repetition have a positive impact on recall (Lehu and Bressoud, 2007).

## LIMITS AND FURTHER POSSIBLE RESEARCH

Even if the sample sounds large compared to those usually used, the external validity of this research remains naturally limited. Moreover, it has been conducted in France, and several previous researches about product placement in movies taught us that disparity can occur when comparing results coming from different countries, (Gould, Gupta and Grabner-Kräuter, 2000; McKechnie and Zhou, 2003; Devathan *et al.*, 2003). Furthermore, if choosing real movies as the material for the research offers a much greater realism of the study, because respondents can supply us with more natural answers, it also implies a natural structural limit. We have no control at all on the used material, which means that not every movie can be used in such an experiment. As there is no possibility to modify the appearance of the product

and/or the brand (because the shooting is already done of course), movies used for the here above research have been very carefully chosen to present clear and not arguable brand placements. We still believe that the strength of the results, given by the use of real movies, partly compensates the limit of a reduced control.

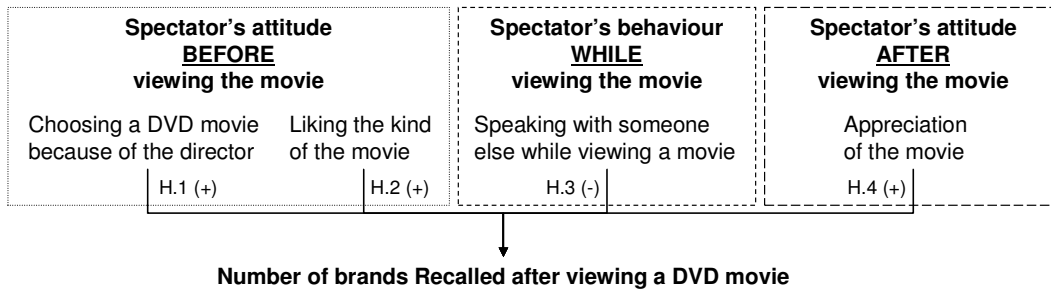
Some might hesitate when validating the hypothesis 4 about the liking of the movies, as the success of a movie can never be foreseen. Even if its components (theme, story, director, editor, actors...) appear to produce a high quality combination during the pre-production, numerous movies ended to be what professionals call a “bomb”, becoming a real box-office failure. Nevertheless, it sounds very interesting to us, because of the rise of digitally inserted product and brand placements. Some placements can now be elaborated, replaced or even erased, after the movie has been shot (Brown, 2003; Sivic and Zisserman, 2004). In a near future, this could lead to a more systematic use of previews to analyze the relevance of integrating or not a brand; not right from the outset but after watching the final edited motion picture. It could then allow some sort of a pre-testing step with elaborate concrete material, the kind traditional advertising already offers.

Now, it would be interesting to extend this research to a greater number of movies and to different countries in order to validate that liking a director, a kind of movie and liking a movie have the same influence across countries. A more equilibrate sample could also be used to be sure that speaking with someone else has no influence on recall. Another contribution could be made by explaining brand placement recall according to individual characteristics validated in this research and to brand placement characteristics already found to be relevant.

## CONCLUSION

The main results gathered with this exploratory research support the favour given by the advertisers to the potential blockbusters and/or to confirmed directors (or at least sufficiently well-known to be a factor of choice for the spectator). At the first sight, this is may not be good news for small budget films. But indeed, it just means that majors brands will more spontaneously go to major film projects. In the 2007 four Oscars winner *The Departed*, a film by Martin Scorsese, nearly 50 different brand placements can be detected (from Adidas to Wonder bread, going through Dell, Coca-Cola, Chevrolet, Tag-Heuer, Motorola, Bayer, Samsung, Heinz, Sprint...). With US\$280 million as total grosses already in March 2007, it is the example of a so-called blockbuster. With an important budget (US\$ 90 million) from a major studio (Warner Bros.) and a famous director (nominated 7 times for an Oscar from 1981 to 2007), this film is the typical example of an obvious choice for placing a brand today, while limiting the risk. Liked by most of its viewers (IMDB movie reference website's users gave it 8.4/10 – 69,285 voters registered March 1<sup>st</sup> 2007) it also confirms its potential to generate an important awareness for its placements. Released for the first time in 2006, the film was even re-released in the US and in several countries in 2007, despite the fact he was already available on DVD; thus multiplying the brand placement exposure opportunities. Now, movies are not the only medium used for this brand new kind of entrism. Lots can be found in television series or shows, theatre plays, songs, videogames, novels... (Kretchmer, 2004; Moser, Bryant, and Sylvester, 2004). Product placement may not be systematically as effective as traditional advertising in generating brand awareness (Daugherty and Gangadharbatla, 2005), but it seems to be a complementary opportunity to consider for the brand to communicate. So the past twenty years of academic research might just be the beginning to better understand a crossbreed technique of communication.

**Figure 1 – The research model.**



**Table 1 – Model parameters of the ANCOVA**

Source	Value	Standard error	t	Pr >  t	Lower bound (95%)	Upper bound (95%)
Intercept	-0,020	0,064	-0,312	0,755	-0,145	0,105
Choice_Director-No	0,000	0,000				
Choice_Director-Yes	1,016	0,065	15,734	< 0,0001	0,890	1,143
Like_Kind-No	0,000	0,000				
Like_Kind-Yes	0,107	0,039	2,721	0,007	0,030	0,185
Discussion-No	0,000	0,000				
Discussion-Yes	0,000	0,070	0,001	0,999	-0,137	0,138
Evaluation_Rank	0,047	0,005	9,703	< 0,0001	0,038	0,057

*Analyzed with Xlstat 2007*

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